DR JS MOROKA LOCAL MUNICIPALITY

dr.jsmlm

Dr JS Moroka Local Municipality

FINAL ANNUAL BUDGET

2018/2019

"WE DEVELOP AS WE GROW"

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1. EXECUTIVE MAYOR'S FOREWORD

The 2018/2019 final annual budget is presented and tabled in terms of section 24 of the Municipal Finance management Act no. 56 of 2003 which prescribes that "the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget" The Act further provides that's the Accounting Officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

This final budget is a culmination of the process of community consultation wherein the strategic IDP document was reviewed. All necessary precaution have been followed that this budget is appropriately aligned to the reviewed IDP. The final budget aims to satisfy the constitutional obligation of the municipality as contained in Part B of schedule 4 and 5 of ACT 108 OF 1996. The comments and inputs from were received from the community and it must be noted that inputs from communities mostly where not changing the annual budget but rather submission of new priorities which needs to be considered when planning for the next financial year.

The 2018/2019 final budget has maintained our resolute approach of prioritizing water projects. 46% of the total capital budget has allocated for water provision within different areas of the municipality with the main aim of reducing the water infrastructure backlog.

The efforts of the municipality to extract itself from grant dependence will only be achieved if the municipality thoroughly implement all its revenue collection strategies and plans. The budget related policies which are concurrently being tabled with the final budget gives the municipality the necessary legal standing to enforce the collection of rates and taxes.

Therefore this 2018/2019 budget annual budget has been approved by council for implementation.

EXECUTIVE MAYOR
Cllr Thulare Madileng

2. R328.05.2018 ND FINAL ANNUAL BUDGET RESOLUTION

RESOLVED

2.1 THAT, Council approve 2018/19 to 2020/21 Final Medium Term Revenue and expenditure Framework

2.2. THAT, Council approve the 6% Tariff increase for the services provided by the municipality as contained in the tariff structure

2.3. THAT, Council approve the following budget related policies:

2.3.1 Budget Policy

2.3.2 Tariff policy and Tariff Structure

2.3.3 Credit Control and Debt Collection Policy

2.3.4 Property Rates Policy

2.3.5 Free Basic Services and Indigent Support

2.3.6 Impairment of Debt and Write-off Policy

2.3.7 Cash Management and Investment Policy

2.3.8 Supply Chain Management Policy

2.3.9 Asset Management Policy

2.3.10 Loss control policy

3. EXECUTIVE SUMMARY

National Treasury issued MFMA circular numbers 91 to guide the preparation of the 2018/2019 MTREF. The 2018/2019 budget is informed by low revenue base and lack of economic activity which has affected the anticipated revenue collection. The poor revenue collection in the previous financial year has prompted the municipality to continue doing the zero based budgeting.

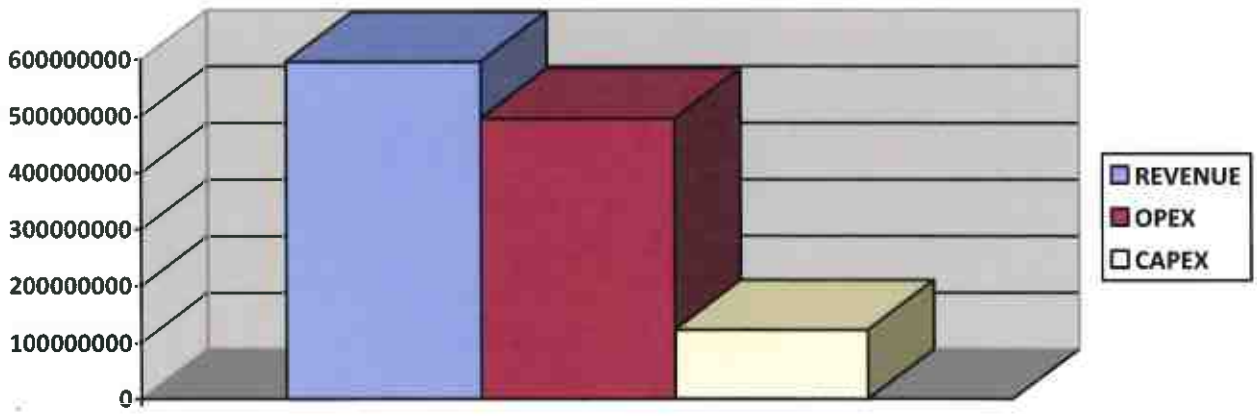
It is further critical to give special attention to revenue management, credit control and debt collection to ensure that the municipality's cash flow position is improved in within the short term.

The municipal budget is manly funded through National Government Grants. The purpose of Infrastructure government grants is to deliver on national government priorities relating to service delivery while the main purpose of the equitable share is to fund the provision of free basic services to the poor.

In view of the above mentioned, the following table is a consolidated overview of the 2018/19 final Revenue and Expenditure budget

Table 1:

REVENUE & EXPENDITURE SUMMARY	2018/2019 FINAL BUDGET	2019/2020 BUDGET	2020/2021 BUDGET
Revenue	R 596,558,000	R 626,137,250	R 660,848,097
Operating Expenditure	(R 474,121,280)	(R 506,586,556)	(R 536,748,649)
Capital Expenditure	(R 122,391,000)	(R 124,724,000)	(R 131,666,910)
Surplus/(Deficit)	**R 45,720**	**(R 5,173,306)**	**(R 7,567,462)**



Total final projected revenue for 2018/2019 financial year is at **R 596,558,000** which comprises of grants and own revenue and the total final operating expenditure for the 2018/19 financial year has been projected at **R474,121,280** which makes **79%** of the total budget and capital budget at **21%** of the total budget.

3.1 FINAL OPERATING REVENUE

For the municipality to continue improving the quality of services provision to its community it needs to generate the required amount of revenue. In these tough economic times strong revenue management is essential to the financial sustainability of every municipality. The reality is that the municipality is faced with developmental backlogs. The expenditure required to address these challenges will always exceed available funds; hence drastic measures has to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The following table is a summary of the 2018/19 MTREF (classified by own revenue source):

The total funding or projected revenue for the final annual budget is **R 596,558,000** which is **80%** of grants and subsidies and **20%** of own revenue projected.

The following table illustrate the own revenue by source:

OWN REVENUE BY SOURCE	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021
RENTAL DEPOSITS	250 000	268 750	297 641
INTEREST ON INVESTMENTS/ABSA	750 000	806 250	892 922
INTEREST ON INVESTMENTS /STD	500 000	537 500	595 281
INTEREST ON INVESTMENTS/FNB	750 000	806 250	892 922
INTEREST ON INVESTMENTS/NEDBAN	1 500 000	1 612 500	1 785 844
TRADING LICENCES	125 000	134 375	148 820
APPLIC FOR TRADING LICENCE	25 000	26 875	29 764
REGISTRATION PROPERTY TRANSFER	50 000	53 750	59 528
RENATAL OF STALLS	25 000	26 875	29 764
SUNDRY INCOME	50 000	53 750	59 528
PHOTO COPY	10 000	10 750	11 906
ADVERTISING PREMEDIA	75 000	80 625	89 292
ADVERTISING CORPCOM	50 000	53 750	59 528
ADVERTISING VODACOM TOWER	50 000	53 750	59 528
INTEREST ON ARREARS	10 000 000	10 750 000	11 905 625
CLEARANCE CERTIFICATE	50 000	53 750	59 528
VALUATION CERTIFICATE	25 000	26 875	29 764
IEC TELEPHONE	15 000	16 125	17 858
INTEREST ON TRADING LICENSE	5 000	5 375	5 953

APPLIC FOR QUOTATION	500 000	537 500	595 281
APPLIC TENDER DEP	1 500 000	1 612 500	1 785 844
SALE OF STAND(CASH)	5 000 000	5 375 000	5 952 813
GRANT SDL	100 000	107 500	119 056
TRAFFIC FINES	500 000	537 500	595 281
MOTOR LICENSING	2 500 000	2 687 500	2 976 406
RENTAL: COMMUNITY HALL	100 000	107 500	119 056
RENTAL:STADIUM	75 000	80 625	89 292
RENTALOFMUNICIPAL BUILDINGS	150 000	161 250	178 584
BURIAL FEES FOR ADULTS	250 000	268 750	297 641
BURIAL FEE FOR CHILD	125 000	134 375	148 820
SALE OF SPACE IN THE GRAVE	25 000	26 875	29 764
HIRING OF TLB AND GRADERS	75 000	80 625	89 292
BUS CATEGORY2 (SHOPPING MALLS)	2 220 000	2 386 500	2 643 049
GOV.PROPERTIES	12 500 000	13 437 500	14 882 031
VACANT LAND	500 000	537 500	595 281
MULTIPLE-USE (BUS RESID)	1 000 000	1 075 000	1 190 563
RESID (LODGE GUEST HOUSE FLAT	250 000	268 750	297 641
AGRIC-BUS COMMERCIAL	1 000 000	1 075 000	1 190 563
APPLICATION FOR CONSILADATION	100 000	107 500	119 056
RATES AND TAXES (RESIDENTIAL)	5 000 000	5 375 000	5 952 813
RATES FOR BUSINESSES	2 500 000	2 687 500	2 976 406
RATES FOR GOVERNMENT	5 000 000	5 375 000	5 952 813
RATES FOR FARMS	750 000	806 250	892 922
RENTAL BUSINESS SITES	500 000	537 500	595 281
INCOME FORGONE	10 000 000	10 750 000	11 905 625
REBATE ON INDIGENTS	10 000 000	10 750 000	11 905 625
MARKET STALS	250 000	268 750	297 641
CONSENT USED	50 000	53 750	59 528
BUILDING PLAN FEES	50 000	53 750	59 528
SITE RENT	50 000	53 750	59 528
YELLOW CONTAINER	75 000	80 625	89 292
MDUT REFUSE REM HH	500 000	537 500	595 281
MDUT REFUSE REM BH	500 000	537 500	595 281
REFUSE BINS	250 000	268 750	297 641
REFUSE BULK	500 000	537 500	595 281
CHURCHES	250 000	268 750	297 641
WATER BULK FOR MEGGA	500 000	537 500	595 281
WATER FOR COLLEDGES	250 000	268 750	297 641
NON ORGANISATION/CRECHES/CHURC	150 000	161 250	178 584

GOVERNMENT/SCHOOL	1 000 000	1 075 000	1 190 563
BULK WATER	7 500 000	8 062 500	8 929 219
MDUT WATER HH	2 500 000	2 687 500	2 976 406
MDUT WATER BES	1 500 000	1 612 500	1 785 844
MDUT WATER RW	100 000	107 500	119 056
CONSUMER AGREEMENTS	250 000	268 750	297 641
BULK FOR MUNICIPALITIES	18 000 000	19 350 000	21 430 125
CONNECTION FEES	250 000	268 750	297 641
WATER TANKERING INCOME	150 000	161 250	178 584
RESIDENTIALS	1 000 000	1 075 000	1 190 563
BUSINESS	500 000	537 500	595 281
NON ORGAN CHRECH AND CHURCHES	250 000	268 750	297 641
MDUTJANA SEWERAGE BUSINESS	500 000	537 500	595 281
MDUTJANA SEWERAGE HOUSEHOLD	750 000	806 250	892 922
DRAIN BLOCKAGE	50 000	53 750	59 528
WATER CONSUMP DESTITUTE INDIGE	5 000 000	5 375 000	5 952 813
SEWERAGE HOUSEHOLD	1 500 000	1 612 500	1 785 844
NON ORGAN CRECHES & CHURCHES	75 000	80 625	89 292
DRAIN BLOCKAGE	25 000	26 875	29 764
DRAIN SUNCTION	25 000	26 875	29 764
WATER CONSUMPTION COLLEGE	250 000	268 750	297 641
SEWERAGE BUSINESS	750 000	806 250	892 922
DRAIN BLOCKAGE	125 000	134 375	148 820
REZONING	150 000	161 250	178 584
TOTAL	**122 100 000**	**131 257 500**	**145 367 681**

CONDITIONAL GRANTS AND SUBSIDIES

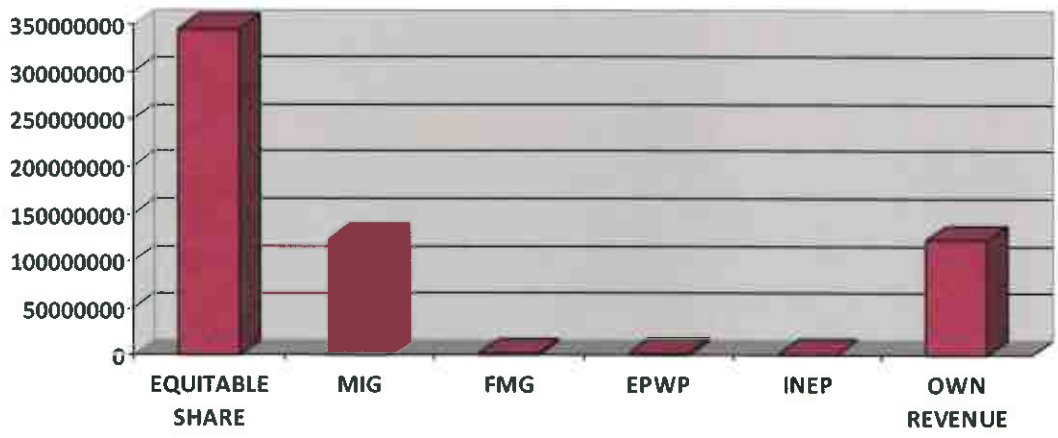
National Division of Revenue Bill allocations reflect the appropriation of Grants such as MIG, while there are strict conditions and processes for municipalities to access and retain the funding. The municipality should therefore ensure that it strives by all means to meet the conditions of the grant in order to ensure that service delivery is not disadvantaged.

The following table gives a breakdown of the various grants and subsidies allocated to the municipality over the medium term

GRANT SOURCE	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021
Municipal Infrastructure Grant (MIG)	R122,491,000	R125,111,000	R132,361,000
Finance Management Grant (FMG)	R 1,770,000	R 2,235,000	R 2,667,000
Expanded Public Works Programme (EPWP)	R 2,955,000	R 0	R 0
Water Service Infrastructure Grant (WSIG)	R 0	R 10,000,000	R 10,550,000
Integrated National Electrification Programme (INEP)	R 1,550,000	R 1,920,000	R 3,200,000
EQUITABLE SHARE	R 345,692,000	R 355,775,000	R 366,881,000
TOTALS	**R 474,458,000**	**R 495,041,000**	**R 515,659,000**

Overall grants and subsidies allocation has increased by **2%** from 2017/2018, of which Equitable Share alone has increased by **5%** and MIG has decreased by **4%.**

The following graph gives a breakdown of the main revenue categories for 2018/2019 financial year.



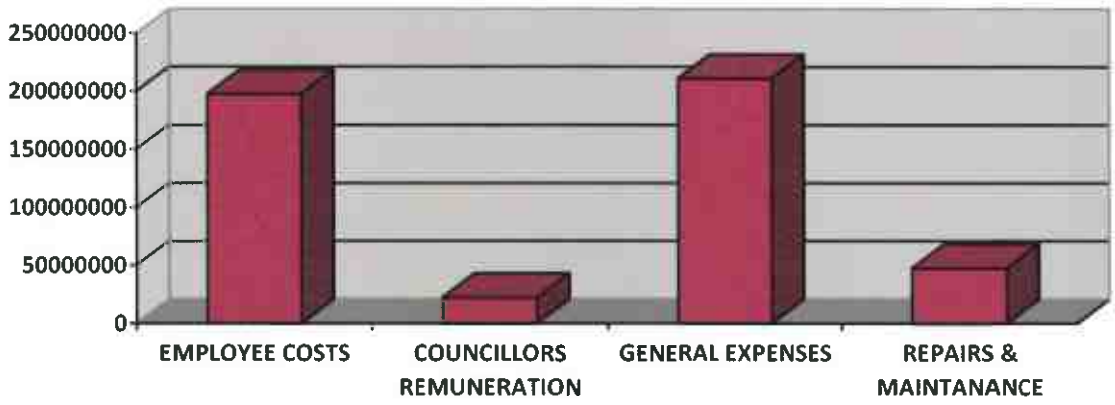
3.2 OPERATING EXPENDITURE FRAMEWORK

The following table is a high level summary of the 2018/19 final operating expenditure budget by type:

Summary of operating expenditure by type

OPERATING EXPENDITURE BY TYPE	2018/2019 BUDGET	2019/2020 BUDGET	2020/2021 BUDGET
EMPLOYEE COST	R 197,639,280	R 209,497,636	R 222,067,494
COUNCILLORS REMENARATION	R 22,200,000	R 23,310,000	R 24,475,500
GENERAL EXPENDITURE	R 208,872,000	R 223,524,320	R 236,935,779
REPAIRS AND MAINTANANCE	R 45,410,000	R 50,254,600	R 53,269,876
TOTAL	**R 474,121,280**	**R 506,586,556**	**R 536,748,649**

The graph below illustrate the expenditure by type



3.3 FINAL CAPITAL EXPENDITURE

Capital budget is financed through MIG (R 118.3 M) and Council (R4 M). The capital budget for 2018/2019 financial year amounts to R 122,391,000

The following table illustrates the Capital Expenditure by vote

CAPITAL EXPENDITURE BY VOTE	BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021
WATER	R 50,416,920	R 44,316,104	R 53,068,862
SANITATION	R 16,000,000	R 17,120,000	R 24,000,000
FACILITIES	R 7,000,000	R 16,000,000	R 4,000,000
ROADS	R 48,974,080	R 47,287,896	R 50,598,048
TOTAL	**R 122,391,000**	**R 124,724,000**	**R 131,666,910**

Below chart illustrates the 2018/2019 capital expenditure

The dfinal capital budget complies with the Municipal Structures Act and MFMA as its aligns with the final IDP as adopted by Council. The budgetary allocations for final capital expenditure have been undertaken in a manner that will not only ensure that the IDP outcomes are achieved but also lead to the municipality's vision being realized.

DETAIL LIST OF 2018/2019 TO 2020/2021 CAPITAL PROJECTS FUNDED BY BOTH COUNCIL AND MUNICIPAL INFRASTRUCTURAL GRANT:

WATER PROJECTS	WARD	SOURCE OF FUNDING	FINAL BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021
Fixing and Re-instating the Bloedfontein Bulk Supply System (Phase 2)	23, 24& 25	MIG	3 000 000	-	-
Upgrading and extension of reticulation networks in the Bloedfontein Village Cluster **(Allemansdrift C)**	18	MIG	8 416 920	-	-
Upgrading & Extension of Reticulation Networks in the Bloefontein Village Cluster (Ga-Maria, Dihlagane, Lefiso & Lefisoane)	21 &22	MIG	-	12 216 104	18 721 862
Upgrading & Extension of Reticulation Networks in the Kameelrivier sub system village Cluster (Molapomogale)	15	MIG	13 000 000	-	-
Upgrading & Extension of Reticulation Networks in the Waalkraal Village Cluster (Matshiding)	12	MIG	13 000 000	13 910 000	14 883 700
Upgrading & Extention of reticulation networks in the Waalkraal Village Cluster (Makopanong)	2	MIG	7 000 000	7 490 000	8 014 300
Basic Borehole Water Supply in the Mathanjana Villages **(Katjibane, Nokaneng, Mmametlhake & Phake)**	25,26,27,28,29&30	MIG	6 000 000	10 700 000	11 449 000
SUB-TOTAL			**50 416 920**	**44 316 104**	**53 068 862**

ROADS PROJECTS	WARD	SOURCE OF FUNDING	DRAFT BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021
Upgrading of Roads and Stormwater in Libangeni (Libangeni Stormwater Drainage)	16-17	MIG	4 500 000	5 050 630	5 404 174
Uprading of Makometsane Bus and Taxi Route	19	MIG	12 508 080	-	-
Upgrading of Roads and Stormwater in Seabe	25	MIG	2 000 000	13 383 646	-
Upgrading of Roads and Stormwter in Siyabuswa	5	MIG	2 000 000	-	14 320 501
Upgrading of Roads and Stormwater Drainage in Mmaduma, Marapyane (Marapyane Bus & Taxi Route)	23-24	MIG	16 000 000	17 120 000	18 318 400
Upgrading of Roads and Stormwater in Siyabuswa (Gaphaahla Mohlaka)	1	Council	1 000 000	-	-
Upgrading of Roads and Stormwater in Siyabuswa (Ga-Morwe)	9-10	MIG	10 966 000	11 733 620	12 554 973
SUB-TOTAL			**48 974 080**	**47 287 896**	**50 598 048**

SANITATION PROJECTS	SOURCE OF FUNDING	DRAFT BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021
Provision of CWB toilets in the Eastern Cluster Villages	MIG	8 000 000	8 560 000	12 000 000
Provision of CWB toilets in the Western Cluster Villages	MIG	8 000 000	8 560 000	12 000 000
SUB-TOTAL		**16 000 000**	**17 120 000**	**24 000 000**

FACILITIES PROJECTS	SOURCE OF FUNDING	DRAFT BUDGET 2018/2019	BUDGET 2019/2020	BUDGET 2020/2021
Upgrading of Ga-Morwe Stadium	MIG		12 000 000	
Upgrading of Nokaneng Stadium	MIG	4 000 000	4 000 000	4000000
Dr Js Moroka Fresh Produce Markert	Council	6 700 000	-	
SUB-TOTAL		**10 700 000**	**16 000 000**	**4 000 000**

PART 2 - SUPPORTING DOCUMENTATION

4. BUDGET PROCESS OVERVIEW

MFMA, Chapter 4, as well as Circular 59 provide guidance on the steps in the annual budget process. Critical to the development of a credible budget are:
Consultation with the community and other stakeholders, as summarized below:

1. Political oversight and management of the budget process
2. Time schedule relating to the budget process
3. Process for tabling of budget and community consultations

4.1 Political oversight of the budget process

The Council and Management convened various planning sessions to discuss political and strategic priorities that would inform the IDP/Budget review. Formal and Informal meetings were also convened with managers to discuss issues relevant to the budget.

4.2 Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)

The process schedule of key deadlines for the preparation of the budget for the 2018/2019 medium term budget was approved by Council in August 2017 which is 10 months before the start of the budget year.

4.3 Process for tabling of budget and community consultation

In terms of section 23 of the MFMA, after the budget is tabled, the municipal council must consider any views of the local community, National Treasury, relevant provincial treasury and any provincial or national organ of state or municipalities which made submissions on the budget.The Municipality undertook a process of community consultation on the draft annual budget through its length and breadth, and a programme was as follows:

DATE	MEETING VENUE	TIME	BRIEFING VENUE	TIME	WARDS	VILLAGES
20 April 2018	Nokaneng Community Hall	12H00	Mathanjana Unit Office	10H00	23, 24, 25, 26, 27, 28, 29, 30 and 31	• Marapyane, Mmaduma, Seabe, Katjibane, Mmametlhake, Phake(Thabeng, Rankaila, Rebone, Ratlhagane), Masobye, Nokaneng, Dierefeng Ramantsho, Loding, Sehoko, Moletji, Semohlase
24 April 2018	Lefiso Community Hall	12H00	Lefiso Roman Catholic Church	10H00	13, 14, 15, 16, 17, 18, 19, 20, 21 and 22	• Maphotla, Kwa Dithabaneng, Madlayedwa Borolo Digwale (Leeufontein), Molapoamogale (Kameelpoort), Rondehoog, Libangeni, Mbongo, Maphanga (Allemansdrift C) Ukukhanya, Madubaduba, Makometsane, Senotlelo, GaMaria, Kabete, Ramonanabela, Dihekeng,Lefiso, Lefisoane,
25 April 2018	Ga-Morwe Community Hall	12H00	Baptist Catholic Church	10H00	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12	• Kwa-Phaahla, Siyabuswa A, B, C, D & E, Makopanong, Toitskraal, Kgapamadi, Mrhononweni, Mabuyeni, Thabana, Ramokgeletsane, Mthambothini, GaMorwe, Meetsimadiba, Mabusabesala, Mmakola, Matshiding ,Marothobolong, Manyebethwane

The comments and inputs from were received from the community and it must be noted that inputs from communities mostly where not changing the annual budget but rather submission of new priorities which needs to be considered when planning for the next financial year.

5. OVERVIEW OF BUDGET RELATED POLICIES

This section provides an overview of the budget related policies to be approved by council resolution.

The following indicates the names of the existing budget related policies which are also attached as annexures:

- ✓ Asset Management policy
- ✓ Budget policy
- ✓ Cash management and investment policy
- ✓ Credit Control and Debt collection policy
- ✓ Debt impairment and the writing off policy
- ✓ Indigent policy

- ✓ Property rates policy
- ✓ Loss control policy
- ✓ Supply chain management policy
- ✓ Tariff policy

The objective of this Tariff Policy is to ensure the following:

Tariffs must conform to acceptable policy principles;
Municipal services must be sustainable;
Tariffs must comply with the applicable legislation; and
Tariffs should take indigent consumers into consideration

The tariff increase for the financial year 2018/2019 to be effective by 1 July 2018 is 6%

4. Overview of Budget Assumptions

5.1 Expenditure

Salaries and Allowances

Salaries are at 33% of the total budget and the councilor's remuneration at 4%.

General expenditure

General expenditure is at 35% of the total budget

Repairs and Maintenance

The total repairs and maintenance is 8% of the total budget.

Capital projects

Capital projects are 21% of the total budget

5.2 Revenue

Households

It is assumed that the total number of households in the municipal area (the tax base) will increase during the financial year.

Collection rate for municipal services

It is assumed that the collection rate for the financial year 2018/2019 will increase.

Grants

It is assumed that the National grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2018/19 financial year.

Indigents

It is assumed that the indigents will increase during the financial year as the municipality is busy with the process of data cleansing.

5. OVERVIEW OF BUDGET FUNDING

In terms of Section 18 of Municipal Finance Management Act, an annual budget may be funded from:

- ✓ Realistically anticipated revenues to be collected
- ✓ Cash backed accumulated funds from previous years surpluses not committed for other purposes
- ✓ Borrowed funds but only for the capital budget referred to in Section 17

On the basis of the above it should be noted that the municipal budget is funded mainly from:

- ✓ **Equitable Share** which is constitute **58%** of revenue which is to fund the day to day running of the municipality and fund the services consumed by the indigent section of the community.

- ✓ **Conditional Grants** (MIG, EPWP, FMG and INEP) constitute **22%** and the grant is used to fund the infrastructure backlog as well as capacitating financial officials and interns.

- ✓ **Own revenue** constitutes **20%** of the budget. (Relates to realistically anticipated revenue to be collected) This portion of the budget depend on the municipal ability to raise and collect revenue so that it can be able to fund its operations

6. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

MP316 Dr J.S. Moroka - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		14 991	10 869	21 205	12 805	14 005	14 005	14 505	15 375	16 29
Pension and UIF Contributions		1 495	1 578		1 798	1 798	1 798	2 298	2 436	2 58
Medical Aid Contributions		468	686		764	764	764	764	810	85
Motor Vehicle Allowance		4 129	4 377		4 634	4 634	4 634	4 634	4 912	5 20
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		21 082	17 510	21 205	20 000	21 200	21 200	22 200	23 532	24 94
% increase	4		(16,9%)	21,1%	(5,7%)	6,0%	-	4,7%	6,0%	6,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 679	4 067	3 752	3 977	3 977	3 977	5 977	6 336	6 71
Pension and UIF Contributions		704	833	-	516	516	516	516	547	58
Medical Aid Contributions					268	268	268	268	284	30
Overtime					80	80	80	80	85	9
Performance Bonus		77	36	80	316	316	316	316	335	35
Motor Vehicle Allowance	3				174	174	174	174	185	19
Cellphone Allowance	3				89	89	89	89	94	10
Housing Allowances	3				9	9	9	9	9	1
Other benefits and allowances	3	552	258		13	13	13	13	14	1
Payments in lieu of leave			215							
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		5 010	5 409	3 832	5 442	5 442	5 442	7 442	7 889	8 36
% increase	4		8,0%	(29,2%)	42,0%	-	-	36,8%	6,0%	6,0%
Other Municipal Staff										
Basic Salaries and Wages		88 338	107 190	110 399	119 579	124 292	124 292	135 223	143 337	151 93
Pension and UIF Contributions		16 967	20 708	22 691	25 692	25 692	25 692	25 692	27 233	28 86
Medical Aid Contributions		6 679	7 790	8 829	10 142	10 142	10 142	10 142	10 751	11 39
Overtime		6 866	7 309	3 359	1 997	1 997	1 997	1 997	2 117	2 24
Performance Bonus		7 981	8 718	8 608	10 496	10 496	10 496	10 496	11 125	11 79
Motor Vehicle Allowance	3	2 039	3 145	4 380	4 530	4 530	4 530	4 530	4 802	5 09
Cellphone Allowance	3	338	816	931	779	779	779	779	826	87
Housing Allowances	3	1 517	1 556	2 099	1 296	1 296	1 296	1 296	1 373	1 45
Other benefits and allowances	3	965	4 412	298	45	45	45	45	48	5
Payments in lieu of leave		2 231								
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		133 920	161 645	161 594	174 555	179 268	179 268	190 199	201 611	213 70
% increase	4		20,7%	(0,0%)	8,0%	2,7%	-	6,1%	6,0%	6,0%
Total Parent Municipality		160 013	184 564	186 632	199 997	205 910	205 910	219 841	233 032	247 01

7. MONTHLY TARGETS FOR REVENUE,EXPENDITURE AND CASH FLOW

MP316 Dr J.S. Moroka - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	13 250	14 244	15 774
Service charges - electricity revenue												–	–	–	–
Service charges - water revenue	2 846	2 846	2 846	2 846	2 846	2 846	2 846	2 846	2 846	2 846	2 846	2 846	34 150	36 711	40 658
Service charges - sanitation revenue	767	767	767	767	767	767	767	767	767	767	767	767	9 200	9 890	108 953
Service charges - refuse revenue	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	1 521	18 250	1 962	
Service charges - other	40	40	40	40	40	40	40	40	40	40	40	40	475	511	566
Rental of facilities and equipment	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	1 104	13 250	14 244	15 775
Interest earned - external investments	313	313	313	313	313	313	313	313	313	313	313	313	3 750	4 031	4 465
Interest earned - outstanding debtors	833	833	833	833	833	833	833	833	833	833	833	833	10 000	10 750	11 906
Dividends received												–			
Fines, penalties and forfeits	42	42	42	42	42	42	42	42	42	42	42	42	500	538	595
Licences and permits	208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 688	2 976
Agency services												–			
Transfer receipts - operational												351 967	351 967	369 930	383 298
Other revenue	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	16 775		
Cash Receipts by Source	**10 175**	**10 175**	**10 175**	**10 175**	**10 175**	**10 175**	**10 175**	**10 175**	**10 175**	**10 175**	**10 175**	**362 142**	**474 067**	**465 498**	**584 965**
Other Cash Flows by Source															
Transfer receipts - capital	30 623				30 623			30 623		30 623		–	122 491		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all)												–			
Proceeds on disposal of PPE												–			
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**40 798**	**10 175**	**10 175**	**10 175**	**40 798**	**10 175**	**10 175**	**40 798**	**10 175**	**40 798**	**10 175**	**362 142**	**596 558**	**465 498**	**584 965**
Cash Payments by Type															
Employee related costs	16 470	16 470	16 470	16 470	16 470	16 470	16 470	16 470	16 470	16 470	16 470	16 470	197 640	209 499	222 068
Remuneration of councillors	1 850	1 850	1 850	1 850	1 850	1 850	1 850	1 850	1 850	1 850	1 850	1 850	22 200	23 532	24 944
Finance charges	25	25	25	25	25	25	25	25	25	25	25	25	300	318	338
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–			
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–			
Other materials	3 784	3 784	3 784	3 784	3 784	3 784	3 784	3 784	3 784	3 784	3 784	3 784	45 410	50 255	53 270
Contracted services	4 493	4 493	4 493	4 493	4 493	4 493	4 493	4 493	4 493	4 493	4 493	4 493	53 921	57 156	60 586
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–			
Transfers and grants - other	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 000	15 900	16 854
Other expenditure	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	11 638	139 651	150 150	159 159
Cash Payments by Type	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**39 510**	**474 122**	**506 810**	**537 219**
Other Cash Flows/Payments by Type															
Capital assets	10 508	10 508	10 508	10 508	10 508	10 508	10 508	10 508	10 508	10 508	10 508	10 508	126 091	125 111	132 361
Repayment of borrowing												–			
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**50 018**	**600 213**	**631 921**	**669 580**
NET INCREASE/(DECREASE) IN CASH HELD	**(9 220)**	**(39 843)**	**(39 843)**	**(39 843)**	**(9 220)**	**(39 843)**	**(39 843)**	**(9 220)**	**(39 843)**	**(9 220)**	**(39 843)**	**312 124**	**(3 655)**	**(166 423)**	**(84 614)**
Cash/cash equivalents at the month/year begin:	25 762	16 542	(23 301)	(63 144)	(102 986)	(112 206)	(152 049)	(191 892)	(201 112)	(240 955)	(250 175)	(290 017)	25 762	22 107	(144 316)
Cash/cash equivalents at the month/year end:	16 542	(23 301)	(63 144)	(102 986)	(112 206)	(152 049)	(191 892)	(201 112)	(240 955)	(250 175)	(290 017)	22 107	22 107	(144 316)	(228 930)

8. LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

9.1 In year reporting

Reporting to National Treasury in electronic format was complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has been adhered to.

9.2 Internship programme

Dr JS Moroka Local municipality is participating in the Municipal Financial Management Internship programme, currently employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained interns through this programme.

9.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

9.4 Audit Committee

An Audit Committee has been established and is functional.

9. Conclusion

In terms of section 24 of the Municipal Finance management Act no. 56 of 2003 the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget The Act further provides that's the Accounting Officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

10. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I M.F Monkoe, Acting Municipal Manager of Dr JS Moroka Local Municipality, hereby certify that the 2018/2019 final annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name MONKOE MALOSE FRANS

Acting Municipal manager of Dr JS Moroka Local Municipality (MP316)

Signature

31 May 2018
Date

dr.jsmlm

Dr JS Moroka Local Municiplity

ADMIN & CORPORATE SERVICES

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Postal Address Private Bag X4012, Siyabuswa, 0472
Tel: (013) 937 1101/1390
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Customer Care Line: 0800 MOROKA (66752)
Website: www.moroka.gov.za
Email: admin@moroka.gov.za
Facebook: Dr JS Moroka Local Municipality

Enq: Mathebe K.G.

04 June 2018

TO: THE CHIEF FINANCIAL OFFICER

1. You are hereby informed that Council at its 5th Ordinary Sitting held on the 31 May 2018 resolved as follows:

R328.05.2018 ND **FINAL ANNUAL BUDGET 2018/19 – 2020/21 MTREF**

1. RESOLVED

1.1. **THAT,** Council approve 2018/19 to 2020/21 Final Medium Term Revenue and expenditure Framework.

1.2. **THAT,** Council approve the 6% Tariff increase for the services provided by the municipality as contained in the tariff structure.

1.3. **THAT,** Council approve the following budget related policies:

1.3.1 Budget Policy
1.3.2 Tariff policy and Tariff Structure
1.3.3 Credit Control and Debt Collection Policy
1.3.4 Property Rates Policy
1.3.5 Free Basic Services and Indigent Support
1.3.6 Impairment of Debt and Write-off Policy
1.3.7 Cash Management and Investment Policy
1.3.8 Supply Chain Management Policy
1.3.9 Asset Management Policy
1.3.10. Loss control policy

2. Please ensure that the above resolution of council is dealt with.

MONKOE M.F.
ACTING MUNICIPAL MANAGER